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LEASE AGREEMENT

INTERSTATE COMMERCE COMMISSION

This Lease Agreement made and entered into this 25th day of June, 1973, by and between Greenbrier Leasing Corporation, a Delaware corporation, hereinafter sometimes called "Lessor," and R. D. Timpany, Trustee of the property of The Central Railroad Company of New Jersey, hereinafter sometimes called "Lessee; "

WITNESSETH:

WHEREAS, Lessor owns approximately 300 open-top hopper cars, 70-ton capacity, currently bearing 3000 series reporting marks of the Pittsburgh & Lake Erie Railroad Company, hereinafter sometimes called "P & L E," presently located on the lines of the P & L E; and

WHEREAS, The Central Railroad Company of New Jersey is debtor in proceedings for the reorganization of a railroad No. B 401-87 now pending in the United States District Court for the District of New Jersey, and R. D. Timpany is the duly appointed, qualified and acting Trustee of the property of said railroad; and

WHEREAS, subject to the approval of said Court, Lessee desires to lease up to 150 cars of said 300 cars owned by Lessor, and Lessor is willing to lease the same to Lessee, all upon the terms, conditions and provisions hereof;

NOW, THEREFORE, for and in consideration of the foregoing, and the mutual agreements herein contained, the parties hereto hereby agree, one with the other, as follows:

I.

LEASE, TERM AND RENTAL

1. Cars. Immediately upon the execution hereof, Lessee agrees to designate a representative, who, together with a representative designated by Lessor, will begin inspection of said cars. Lessee agrees from time to time to

deliver to Lessor a written memorandum or memoranda identifying the cars inspected and accepted and specifying the routing for delivery of said cars to its own lines. As soon as possible after approval of this lease by the United States District Court for the District of New Jersey, Lessor will authorize delivery to Lessee of the cars selected by Lessee and give shipping instructions to the P & L E, with the same routing instructions as specified by Lessee. Lessor hereby agrees to lease and hereby leases to Lessee and Lessee hereby rents from Lessor each and all of said cars so delivered to Lessee for use by Lessee upon its own railroad lines or for use upon other railroad lines in the usual interchange of traffic. All expenses of the representative of Lessee shall be for the account of Lessee and all expenses of the representative of Lessor shall be for the account of Lessor. Lessee shall pay any and all freight charges required to move the cars to its own lines, except that movement on the lines of the P & L E shall be freight-free to Lessee.

2. Term. Upon delivery of shipping instructions with respect to a car selected by Lessee, this lease shall attach and apply thereto, but rental with respect to such car shall commence only upon departure of such car from the lines of the P & L E as established by the bill of lading or corresponding documents furnished by the P & L E. This lease shall continue for a term ending July 31, 1975 as to all cars covered hereby. As soon as all the cars to be covered hereby are identified, an exhibit listing them shall be prepared and signed by the parties and made a part hereof.

3. Rent. Lessee agrees to pay Lessor a per diem rental of Two and 50/100 (\$2.50) Dollars per car during the term of this lease. The rental for each and all of said cars shall be paid to Lessor at P. O. Box 509, Portsmouth, Ohio 45862, and the rental for all cars subject to this Lease Agreement for any month shall be paid on or before the 10th of the following month, commencing with the 10th of the month following the month in which the first car covered hereby departs the lines of the P & L E. Except as provided herein, rental shall be paid for each day of the lease period with no exception for any time any car may be temporarily idled for repairs

or for any other reason.

4. Interchange. Lessee shall at all times have the right to receive any compensation paid by any other railroad for the use of any of said cars while said cars are in the usual interchange of traffic; provided, however, that the right of such use in the usual interchange of traffic shall be subject to all of the terms and conditions of this agreement.

5. No Warranty. Since Lessee will have inspected and accepted each car prior to its delivery to Lessee and becoming subject to this lease, such inspection and acceptance and delivery shall conclusively establish as between the parties hereto that said car was at the time of such delivery to Lessee in good condition and repair and suitable for its intended use; and such inspection and acceptance by and delivery to Lessee shall be as is, where is, and without warranty express or implied on the part of Lessor with respect to any matter whatsoever, and Lessor shall have no liability to Lessee of any kind with respect to the cars.

II.

OBLIGATIONS OF LESSEE

Lessee agrees that during the term of this lease agreement, or any renewal term, it will at its sole cost and expense:

1. Taxes. Promptly pay all sales, use, ad valorem or other taxes and assessments and all licenses and fees imposed or required by federal, State or municipal or other governmental authorities upon the ownership, possession, leasing, or use of the cars, excluding any income tax imposed on the income of Lessor; provided however, that Lessee shall be under no obligation to pay any such tax so long as Lessee

is contesting same in good faith and by appropriate legal proceedings, and provided such non-payment shall not put a hazard upon the property or rights of Lessor hereunder.

2. Use. To use the cars in a careful and prudent manner and keep them in good order and repair and satisfactory for interchange in accordance with the rules of the Association of American Railroads, and to make any and all replacements of any parts or additions to continue the cars in such interchange service in accordance with said rules, and all equipment, accessories, parts and replacements for or which are added to or become attached to the cars shall become the property of Lessor.

3. Markings. Maintain markings on each side of each car to show that the car is the property of Lessor, such markings to be in such manner as may be directed by Lessor, keep the cars free from any marking or labeling which might be interpreted as a claim of ownership thereof by Lessee or any other party other than Lessor, and, without the prior written consent of Lessor, not to change or permit to be changed the identifying road numbers on any of the cars; provided, however, that Lessee may paint or mark said cars with its own name, insignia or other markings customarily applied to its own cars so long as the same cannot be interpreted as a claim of ownership thereof by Lessee.

4. Liens. Keep the cars free from any encumbrances or liens which may be a cloud upon or otherwise affect the title of Lessor and promptly discharge any legal process which may be levied upon the cars on account of any act or omission of Lessee or of any party other than Lessor.

5. Regulation. Secure the consent of any governmental authority necessary in order to lease the cars and comply thereafter with all laws and regulations of any governmental authority with reference to the manner of using or operating the cars.

6. Inspection. Furnish to Lessor at least once every year an accurate inventory of the cars showing their present location to the best knowledge of Lessee and allow Lessor, at its cost and expense, to inspect the cars at any reasonable time or times whether on the road of Lessee or elsewhere.

7. Indemnity. Indemnify and save Lessor harmless from any and all liabilities, damages, claims, suits, judgments, and costs which may arise from the possession, use or operation of the cars, or their delivery or return, or resulting from their becoming out of repair, in any event, whether or not occasioned or resulting from the negligence of Lessee.

8. Instruments. As soon as the exhibit specified in Paragraph 2 of Article I above has been completed, Lessor shall, without expense to Lessee, cause this Lease Agreement to be filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act. Lessee shall also, from time to time, without expense to Lessor, do and perform any other act and execute, acknowledge, deliver, file, register and record (and re-file, re-register or re-record whenever required) any and all further instruments required by law or reasonably requested by Lessor for the purpose of proper protection of its title to the cars or for the purpose of carrying out the intention of this lease, and shall furnish to Lessor certificates or other evidence of any such action.

III.

DAMAGE, RETIREMENT AND NEW DEVICES

1. Damage. All risk of loss or damage to the cars from any and every cause whatsoever shall at all times be upon Lessee, and in the event of loss or destruction or irreparable damage to any of the cars from any cause, Lessee shall promptly and fully inform Lessor with respect to the same and shall promptly pay Lessor the daily rental from the end of the preceding month to the date of loss, destruction or irreparable damage and the greater of: (a) a sum equal to the settlement basis provided by the rules of the Association of

American Railroads or (b) the sum of \$2,750.00 less 80% of all rental paid by Lessee hereunder with respect to such car. In all cases where such loss, destruction or irreparable damage shall occur off the lines of Lessee, Lessor hereby authorizes Lessee to make settlement pursuant to the rules of the Association of American Railroads, for the account of Lessor, with the foreign line upon whose railroad line such car or cars may have been damaged or destroyed; provided, however, no such settlement shall relieve Lessee from its obligation to pay to Lessor the sums provided herein.

2. Retirement. If at any time after August 1, 1974 any car or cars become for reasons other than casualty in such condition as not to be repairable economically, such car or cars, not to exceed ten (10%) per cent of the number of cars initially covered hereby may be retired on thirty (30) days written notice from Lessee to Lessor, and the car or cars so retired shall be returned by Lessee to Lessor at Lessee's expense at such point on Lessee's lines as Lessor may direct. Upon such return, the rental for the cars so returned shall thereupon cease.

3. New Devices. If the installation of any device or apparatus not now required is made mandatory by the Interstate Commerce Commission or any other public or private agency authorized to issue such mandate, the party receiving notice of same shall immediately give the other written notice of such requirement. Thereafter, the parties shall endeavor in good faith to arrive at a mutually agreeable program for the installation of such device or apparatus and the financing of the cost thereof, and if the parties are unable to arrive at a mutually satisfactory agreement, either party may terminate this lease with respect to the affected cars upon written notice to the other.

IV.

RENEWAL OPTIONS

1. Original One-year Option. Provided all covenants of this Lease Agreement have been met, Lessee shall have an option to renew the term of this Lease Agreement for a term of one (1) year beginning upon the expiration of the original term upon the same terms and conditions of this Lease Agreement, except as provided in this Article IV, except that the per diem rental shall be Two (\$2.00) Dollars, and except that such option may be exercised as to any number of the cars then subject to this Lease Agreement. Such option shall be exercised by giving Lessor written notice at least ninety (90) days prior to the expiration of the original term and specifying the cars to be covered during such one-year renewal term.

2. Four Successive One-year Options. Likewise, provided all covenants of this Lease Agreement have been met, Lessee shall have four (4) more successive options to renew this Lease Agreement, each such option to cover a one-year renewal term, beginning upon the expiration of the preceding renewal term, upon the same terms and conditions as this Lease Agreement, except as provided in this Article IV, except that the per diem rental shall be \$2.00, and except that each of such four successive options may be exercised as to any number of the cars then subject to this Lease Agreement. Any of such four renewal options shall be exercised by giving Lessor written notice at least ninety (90) days prior to the expiration of the preceding renewal term, and specifying the cars to be covered during such one-year renewal term.

3. Excluded Cars. Any cars not elected to be covered in the first or any of the four succeeding renewal terms shall be delivered to Lessor as provided in Article VI below, that is, in condition satisfactory for interchange service under load under the rules of the Association of American Railroads as they may exist at such time.

4. Destruction. In the event of loss or destruction or irreparable damage to any of the cars from any cause during any renewal term, all rental paid by Lessee hereunder with respect to such car during the original term and any renewal term shall be taken into account for purposes of computing the sum specified in Paragraph 1 of Article III above.

5. Retirement. If during any renewal term, any car becomes for reasons other than casualty in such condition as not to be repairable economically, such car or cars, but not to exceed ten (10%) per cent of the cars covered by the Lease Agreement at the beginning of a particular renewal term, may be retired on fifteen (15) days written notice from Lessee to Lessor, and the car or cars so retired shall be returned by Lessee to Lessor at Lessee's expense at such point on Lessee's lines as Lessor may direct. Upon such return, the rental for the cars so returned shall thereupon cease.

V.

DEFAULT

1. The term "default" shall mean the occurrence of any of the following events:

(a) The failure of Lessee to pay any installment of rental hereunder within thirty (30) days after the same becomes due.

(b) The failure of Lessee to pay any other sum required of Lessee hereunder, other than the payment of rental, or the failure of Lessee to comply with or perform any of the other terms and conditions of this agreement, within thirty (30) days after receipt of written notice from Lessor demanding payment or compliance or performance.

2. Upon the occurrence of a default, Lessor may, without demand or legal process, enter into the premises where the cars may be found and take possession of and remove the same and, either:

(a) Declare this lease terminated, in which event all rights of Lessee shall terminate, with Lessee remaining liable to pay the accrued rental to the date of retaking with respect to each car; or

(b) Relet the cars for the account of Lessee, and apply the proceeds of such reletting first to the expenses that may be incurred in the retaking, storing and delivery of the cars to the new lessee, then to the expense of making any and all repairs that should have been made by Lessee, and then to the payment of the rent due under this lease, and Lessee shall remain liable for any rents remaining due after so applying the proceeds so realized, and Lessee agrees to pay any and all such deficit monthly as the same may accrue, or all of the rent becoming due if Lessor is unable to relet the cars.

VI.

TERMINATION

Upon the expiration or termination of this lease, Lessee shall surrender the cars to Lessor at such point on Lessee's lines as Lessor may direct, in condition satisfactory for interchange service under load under the rules of the Association of American Railroads, as they may exist at such time. If any of the cars are away from the lines of Lessee on the date of expiration or termination of this lease, the obligations of Lessee hereunder as to such cars (including the payment of rental therefor) shall continue until same are surrendered as herein provided.

VII.

MISCELLANEOUS PROVISIONS

1. Court Approval. This Lease Agreement is subject to the approval of the United States District Court for the District of New Jersey. If such approval is not obtained on

or before July 10, 1973, this Lease Agreement shall be null and void, and neither party hereto shall have any obligation or liability to the other.

2. Attorneys Fees. Lessee agrees to pay the reasonable attorneys fees incurred by Lessor in the enforcement of its rights hereunder.

3. Notices. All notices relating to this contract shall be in writing and mailed by registered or certified mail, return receipt requested, to the parties at the following addresses, or at such other address as may be hereafter specified by like notice by either party to the other:

Greenbrier Leasing Corporation
P. O. Box 509
Portsmouth, Ohio 45662

with copy to Greenbrier Leasing Corporation
P. O. Box 1046
Dallas, Texas 75221

The Central Railroad Company of New Jersey
R. D. Timpany, Trustee
1100 Raymond Boulevard
Newark, New Jersey 07102.

4. Whole Agreement. This Lease Agreement constitutes the entire agreement of the parties and no representation, warranty, agreement or promise, oral or written, not contained herein shall be binding, and no change or amendment herein may be made except in writing signed by both parties.

5. Counterpart. This Lease Agreement has simultaneously been executed in a number of identical counterparts, each of which, for all purposes, shall be deemed an original.

6. Binding Effect. This agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

EXECUTED the day and year first above written.

GREENBRIER LEASING CORPORATION

By *Chas. W. Meritt*
Vice President

ATTEST:

R. D. Timpany
Secretary

Signed, Sealed and Delivered
in the Presence of:

R. D. Timpany

R. D. Timpany
R. D. TIMPANY, TRUSTEE of the
property of The Central Railroad
Company of New Jersey

THE STATE OF *Texas*)
COUNTY OF *Dallas*)

BEFORE ME, the undersigned authority, in and for
Dallas County, *Texas*, on this day personally
appeared *Chas. W. Meritt*, known to me to be
the person and officer whose name is subscribed to the forego-
ing instrument, and acknowledged to me that the same was the
act of the said Greenbrier Leasing Corporation, a corporation,
and that he executed the same as the act of such corporation
for the purposes and consideration therein expressed, and in
the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this *2nd* day
of *July* 1973.

Rose Allan
Notary Public
in and for *Dallas* County,
6-1-75

THE STATE OF *New Jersey*
COUNTY OF *Essex*

BEFORE ME, the undersigned authority, in and for
Essex County, *New Jersey*, on this
day personally R. D. Timpany, Trustee of the property
of The Central Railroad Company of New Jersey, known
to me to be the person whose name is subscribed to the
foregoing instrument, and acknowledged to me that he
executed the same for the purposes and consideration
therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this *25th*
day of *June*, 1973.

Rose A. Ferrante
Notary Public
in and for *Essex* County, *New Jersey*
ROSE A. FERRANTE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Apr. 7, 1974

EXHIBIT TO LEASE

Pursuant to Part I paragraph 2 of the Lease Agreement, dated June 25, 1973, by and between the undersigned Greenbrier Leasing Corporation as Lessor and R. D. Timpany, Trustee of the property of The Central Railroad Company of New Jersey, as Lessee, the following is the list of the railroad cars accepted by Lessee and covered by said Lease Agreement.

P&LE	3004	CNJ	67000
	3008		67001
	3025		67002
	3030		67003
	3031		67004
	3034		67005
	3047		67006
	3050		67007
	3053		67008
	3063		67009
	3066		67010
	3068		67011
	3069		67012
	3070		67013
	3072		67014
	3075		67015
	3077		67016
	3078		67017
	3088		67018
	3124		67019
	3131		67020
	3134		67021
	3137		67022
	3139		67023
	3141		67024
	3142		67025
	3150		67026
	3154		67027
	3168		67028
	3195		67029
	3196		67030
	3207		67031

P&LE	CNJ
3214	67032
3219	67033
3232	67034
3233	67035
3250	67036
3254	67037
3260	67038
3261	67039
3274	67040
3281	67041
3303	67042
3308	67043
3324	67044
3332	67045
3348	67046
3351	67047
3352	67048
3366	67049
3370	67050
3372	67051
3379	67052
3393	67053
3396	67054
3410	67055
3412	67056
3431	67057
3432	67058
3436	67059
3439	67060
3441	67061
3451	67062
3466	67063
3471	67064
3474	67065
3478	67066
3481	67067
3488	67068
3491	67069
3502	67070
3531	67071
3535	67072
3541	67073
3545	67074
3548	67075
3550	67076
3556	67077
3561	67078
3565	67079
3567	67080
3580	67081
3600	67082
3608	67083
3610	67084
3617	67085
3624	67086
3630	67087
3632	67088
3640	67089
3643	67090
3644	67091
3647	67092
3660	67093
3672	67094
3680	67095
3682	67096
3684	67097
3686	67098
3687	67099


P&LE		CNJ	
3689		67100	
3698		67101	
3706		67102	
3712		67103	
3718		67104	
3720		67105	
3734		67106	
3742		67107	
3743		67108	
3755		67109	
3765		67110	
3776		67111	
3783		67112	
3784		67113	
3788		67114	
3789		67115	
3793		67116	
3794		67117	
3802		67118	
3815		67119	
3817		67120	
3833		67121	
3834		67122	
3836		67123	
3837		67124	
3852		67125	
3865		67126	
3868		67127	
3870		67128	
3875		67129	
3879		67130	
3886		67131	
3888		67132	
3904		67133	
3914		67134	
3916		67135	
3925		67136	
3930		67137	
3933		67138	
3935		67139	
3936		67140	
3941		67141	
3948		67142	
3956		67143	
3962		67144	
3965		67145	
3967		67146	
3969		67147	
3988		67148	
3992		67149	

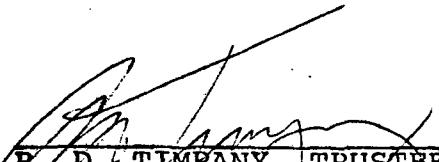
EXECUTED this the 26th day of July, 1973.

GREENBRIER LEASING CORPORATION

By 
Vice President

ATTEST:


Secretary

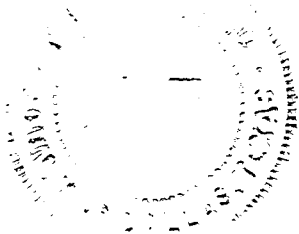

R. D. TIMPANY, TRUSTEE of the
property of The Central Rail-
road Company of New Jersey

THE STATE OF TEXAS..)
)
)
COUNTY OF DALLAS....)

I, the undersigned notary public of Dallas County, Texas, in the performance of the functions of my office, hereby certify that the above and foregoing is a full, true, and correct copy of the Lease Agreement between Greenbrier Leasing Corporation and R.D. Timpany, Trustee of property of Central Railroad Company of New Jersey; that I have compared the attached copy with the original document and that it is a true and correct copy thereof in all respects, and that I am the lawful possessor and have legal custody, as of this date, of said record.

Witness my hand and seal of office in the City of Dallas, Dallas County, Texas, this the 28 day of September, 1973.

(seal)



Debra Ann Kennedy
Notary Public in and for
Dallas County, Texas

Consolidated Rail Corporation